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AND IMPLEMENTATION OF STRATEGIES FOR
THE EXPORT OF MANUFACTURES

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THE JAMAICA NATIONAL EXPORT CORPORATION

Information document *

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The importance of exports of manufactured products to the economic advancement of most developing countries has in the last decade been repeatedly underlined as the need to sell more abroad became more and more acute. To meet the continuous process countries, acting independently as well as regional organizations, have had to introduce various strategies designed to promote and market their traditional as well as new line of products.

In this regard the Jamaica Government in August 1970 launched a National Export Corporation (JNEC), an organization empowered to initiate and promote programmes which will have the effect of further enhancing the island's export trade while stimulating a favourable atmosphere for exporters. Guided by a nine-member Board of Directors headed by a leading businessman, Mr. Laurie O. Ramson (Chairman), the Corporation has established broad strategies ranging from manufactured goods to effective marketing programmes. Emphasis has been placed on the expansion of trade in the Caribbean Free Trade Area (CARIFTA) and in Latin America and since inception, the Corporation has been engaged in identifying the types of products which offered greater export possibilities. Coupled with this is a continuous examination of the problems with which the potential exporter must grapple. In short, the main functions and objectives of the Corporation include viz:

- (a) the co-ordinating of information on export market, that is, export formalities, access to markets and conditions of competition;
- (b) initiating research and involvement in spotting of any obstacles to a greater outflow of Jamaican exports;
- (c) studying and making recommendations to the Government on export incentives and on other measures designed to develop a more export-oriented manufacturing sector as well as to increase productivity in these industries for export.

Surveys aimed at identifying those companies and organizations engaged in the export trade, the type, standard and volume of the products for export, the plant capacity, the markets serviced and the
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nature the trade terms offered to customers have been among the first projects carried out by the Corporation. This data forms the basis of a Register of Manufacturers and helps the Corporation's officers to identify those firms which are not now fully engaged in export but which possess the capacity so to do. Associated with this exercise is the completion of an Export Manual. A comprehensive guide to exports, the manual, describing various export procedures, tariff regulations, shipping and documentation facilities, among other things is designed to assist manufacturers in initiating and concluding business with the overseas buyers.

Conscious of the problems facing local manufacturers in financing exports, the Corporation in collaboration with the island's Central Bank has been active in the study of financial export incentive programmes, mainly the provision of an Export Credit Insurance scheme and Export Credit Finance. The Corporation attributes much importance to an export credit insurance scheme which it feels could provide an inducement to exporters to enter new markets and to compete effectively with their foreign counterparts in these markets. While acting as liaison between the foreign buyer and the local manufacturer the Corporation also provides counselling services to Jamaican companies requiring information on the trends of overseas markets. In all these efforts close association is maintained with established local, industrial and commercial organizations whose membership is seriously involved in the export business.

Through the work of special committees assigned to various commodity areas, namely, fairs and promotions, CARIFTA, food processing, credit financing, amongst others, the Corporation is able to keep potential exporters abreast of current developments and the finer details in exporting. Enquiries emanating from potential overseas customers and distributors are directed to the appropriate Jamaican supplier(s) and the Corporation follows up to ensure prompt business action.

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The need for up-to-the-minute market information which could contribute to "boosting" Jamaica's exports is another concern of the Corporation and to this end efforts are afoot to establish a research system which will serve as an "intelligence centre" to our marketing department and to manufacturers and exporters.

This brief presentation while concerned mainly with the role of the National Export Corporation would nevertheless be incomplete if mention of Jamaica's pattern of export trade in recent years was omitted. Indeed, developments in various categories of the island's import/export trade over the last years have shown encouraging trends and estimates are that the rate of growth of exports will increase more significantly in 1971. These changes have been generated, chiefly by the advances in industrial expansion along with new trends in consumer expenditure.

To illustrate, during the period 1968-1969 exports increased by exactly J\$ 29.5m or 16.7 per cent compared with an increase of J\$ 19.6m or 12.0 per cent in the corresponding period 1967-1968. In fact, Jamaica's total domestic export for the period 1968-1970 amounted to J\$ 640.4m of which 1970 accounted for J\$ 244.0m. It must be pointed out that this marked upward trend in the rate of visible exports was the highest for the 10-year period 1960-1970 and was attributed to the increase in the value of alumina exports during 1969. Export of alumina went up from nearly 0.9m long tons (valued at \$ 50.8m) in 1968 to approximately 1.2m long tons (valued at \$ 70.2m) in 1969.

The island's expansion in the area of merchandise exports over 1968-1969 amounted to nearly \$ 30.0m or some 16.6 per cent which was attributed largely to such product groups as bauxite, alumina, manufactured goods, citrus products and pimento.

In the manufacturing sector exports showed an increase of \$2.2m in 1968-1969 of which the principal contributors were beverages, textiles, petroleum products, chemicals, manufactures of paper and metal kind and electrical appliances. The "absolute" increase in the value of export of manufactured goods in 1968-1969 was due mainly to Jamaica's share of the CARIFTA market - an increase of \$ 1.5m in the period 1967-1968.

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One might point out also that the dollar area customarily takes a large share of the island's trade; for example, the area, in 1969, accounted for just under 58 per cent of our total trade compared with just over 54 per cent during the previous year. To be exact, the total trade with the area increased from \$274.2m in 1968 to \$334.4m in 1969.

There is no doubt that the island's economy has showed significant growth trends in various sectors and the National Export Corporation is determined to do its utmost to assist manufacturers in maintaining the export capacity of enterprises. Our trade with the Commonwealth Caribbean area, including Belize, the Bahamas and Bermuda has indicated marked upward trends and it is for our firms and exporters to develop a clear orientation towards exports.

The Corporation is constantly aware of the need for greater and more meaningful economic co-operation with our Latin American neighbours and has established contact with various regional economic organizations whose expertise and assistance are welcome.

